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CIA No. 3544

10 SEP 1965

Mr. Morris H. Crawford
Department of State Representative
Economic Intelligence Committee
Washington, D. C.

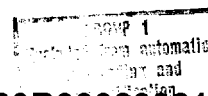
Dear Morris:

You are due an apology for our long delay in responding to your letter of 16 August, and to your stimulating proposal that the EIC mechanism be considered as a forum for the interchange on current issues which bear on military and political affairs. This delay has been due to the prolonged absence of Dr. Guthe and to my own two weeks leave. Because Dr. Guthe has not seen this letter, I trust you will treat it as an interim reply, even though it has been rather widely discussed in the Agency.

Your suggestion concerning the potential usefulness of a group under the EIC that would look at appropriate economic issues in a sub-national-intelligence-estimate manner deserves every consideration. The instance you cite is the coordination difficulties with the revision of Soviet military expenditures. The new ORR estimates of costs were a revision in this instance, as in virtually all other cases, made necessary by a change in the national estimates of major Soviet military forces and programs.

We in ORR are participating heavily in the inter-agency ad hoc working groups which have been created by the Office of National Estimates, to improve community coordination of the National Intelligence Projections for Planning -- Soviet Military Forces Through Mid-1974 (NIPP-66). The breadth of the working groups is shown by their multiplicity -- naval systems, strategic missiles, tactical missiles, defensive missiles, nuclear allocations, and expenditures -- added to manpower and aircraft working groups already established under the terms of reference for NIE 11-14-65.

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With respect to the EIC as a mechanism for community coordination of military-economic intelligence views, in my view it would not be as appropriate as the use of the national estimating mechanism. We have reached this opinion in ORR despite the fact that ORR personnel will participate in virtually all the NIPP-66 working groups, and that our analysts will chair most of them.

In a similar way, we are now participating with the Department of State and with DIA in the production of a joint military-economic study on "Logistic Support for the Communist Forces in South Vietnam." This study is being carried out under the aegis of the national intelligence estimating mechanism, even though the final product will not be a national estimate.

We have had a number of attempts to establish a State-ORR forum for discussing political-economic developments. On Communist China, you will remember, [REDACTED] set up an informal group, which held only a few sessions before it was taken over by the Office of National Estimates.

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Based on our experience, I fail to see any clear-cut advantages to adding an EIC layer to the existing estimates machinery. With respect to questions which arise in the future which bear on political-economic matters, I suggest that we make a special effort to use the existing means of formal and informal consultation and review. Should the existing means of the estimates structure prove defective, the challenging view which you have advanced should be re-explored.

Sincerely,

[REDACTED]
Acting Chairman

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OCh/E/RR: [REDACTED] :mlc/7605 (15 Sep 65)